



Hungary's Relations with Russia

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The Hungarian government's actions, especially in the field of energy, fit with Russia's increasingly aggressive policy aimed at weakening Western structures. Its influence on Hungary is deepening in the political, economic, and social dimensions. Both the Hungarian perception of international relations and the view of Russia as a politically neutral economic partner, as well as the benefits it brings for this country, are contrary to the interests of Poland, the V4, NATO, and the EU.

Energy Policy Through Political and Economic Relations. The Hungarian government declares that close cooperation with Russia brings mutual benefits and is therefore in the state's interest. This is how it explains maintaining relations with Russia at a high political level. Although Hungarian Prime Minister Viktor Orbán's last meeting with Russian President Vladimir Putin took place in 2019, their respective foreign ministers, Péter Szijjártó and Sergey Lavrov, hold regular talks (they have consulted publicly at least five times in 2021). These talks, at least their public parts, have for years focused on energy, which is the basis of their mutual political and economic relations.

This pattern is consistent with the new long-term 15-year gas deal signed on 27 September in Budapest by the Hungarian MVM CEENergy with Russia's Gazprom. The details were agreed during two visits, the first by Lavrov to the Hungarian capital on 24 August, Ukraine's Independence Day, and Szijjártó to St. Petersburg on 30 August. The deal assumes Hungary will purchase 4.5 bcm of Russian natural gas annually—according to the Hungarian government at a rate cheaper than before—with delivery bypassing Ukraine. Of the total deal amount, 3.5 bcm will flow through the Serbian-Hungarian interconnector, operational since 1 October, connected to the TurkStream gas pipeline, and the remaining 1 bcm through the interconnector on the Austro-Hungarian border. This amount will cover 90% of Hungary's current gas demand. From 2020, the country also has bought a small amount of gas (about 0.25 bcm per year) from Western suppliers via the Croatian LNG terminal on Krk island.

Modification of the contract with Russia on the quantity of purchased gas will be possible after 10 years. The government did not disclose the deal's specific financial conditions. With its entry into force at the beginning of October, Gazprom ended gas transit to Hungary via Ukraine. This exacerbates [the security and financial situation of the latter](#), especially in view of the planned launch of the Nord Stream 2 (NS2) gas pipeline, which fully bypasses Ukraine.

The agreement is a result of Hungarian government policy pursued since 2010, which aims to achieve energy security primarily by diversifying the routes of Russian gas supplies, but not alternative sources, and maintaining close relations with Russia. Both of these elements favour Russian interests in the region. The Orbán government and its predecessors supported the construction of the South Stream pipeline, which was suspended as a result of the European Commission's intervention in 2014. Even then, Hungary argued for the exclusion of Ukraine from supply routes to guarantee flows. This mercantile approach, regardless of the challenge Russia poses to the EU's security, did not change even after the annexation of Crimea and the Russian aggression against Ukraine. Evidence of this has been seen in the discussions around NS2, with efforts by some EU members to block its completion described by Szijjártó during Lavrov's recent visit to Budapest, as hypocritical. Orbán, in turn, referred to the Ukrainian authorities' negative assessment of the new gas deal by urging them to "solve their own problems without involving Hungary in them".

At the same time, the [construction of the Paks II nuclear power plant](#), a key economic element of Russia-Hungary relations, has encountered difficulties. The project has for formal reasons been delayed for at least five years and did not receive a building permit from the Hungarian regulator by the end of September this year as prescribed by law. That this government priority project was not given a green light by the authorities in the highly politicised Hungarian public administration, as well as the resignation of the regulator's president in April, may indicate serious problems with the documentation submitted by Rosatom. The cost of Paks II has increased since the contract was signed in 2014 by about 20%, to around €15 billion, as a result of a change in the repayment terms of a Russian loan for the construction and because of a weakening forint to the euro in which the loan was taken. Regardless of the delay, Hungarian businesses, mainly those according to several analyses (for example, by the Corruption Research Centre in Budapest) that are close to the ruling party or directly related to the prime minister, have already received money from construction-related tenders.

Other Hungarian-Russian business projects are not significant to their [mutual economic relations](#). Both the purchase and use of the Russian Sputnik V vaccine against COVID-19, as well as the announced start of the vaccine's production in Debrecen at the end of 2022, are primarily political, particularly since the Russian preparation has not been approved for use by the European Medicines Agency. Moreover, the WHO suspended in September its verification process for the vaccine. The parties mention, among other successes, the joint production and sale of railway carriages to Egypt with an assumed total value of €1 billion, and the increase in the number of flights from Budapest to Moscow and St. Petersburg to seven a week.

Russia's Growing Importance in Hungarian Politics. Russian influence on the Hungarian political class and public opinion goes far beyond official relations. Public media, which closely mirrors the government's stance, present statements that are in fact Russian disinformation, sometimes direct from Russian state media. That is why the Hungarian public tends to buy into conspiracy theories, for example, that mass migration is organised by Western entities. Other kinds of disinformation are present in Hungarian media, such as reports diminishing the Belarusian pro-democratic opposition, remaining silent on the responsibility of the Belarusian authorities for the crisis on the [Polish-Belarusian border](#), or questioning Hungary's attachment to the West.

Russia's influence is also found in foreign policy. For example, Szijjártó consulted Lavrov on [Hungarian policy towards the](#)

[Balkans](#) before Orbán met with Bosnian Serb leader Milorad Dodik on 6 November in Banja Luka. It was the second meeting this year of the Hungarian prime minister with the Russian-backed Bosnian Serb politician, who is threatening to break away Republika Srpska from Bosnia and Herzegovina.

Treating Russia as a point of reference may be positively perceived by the Hungarian public, which, although pro-European (85%) according to public opinion polls, perceives the country as a bridge between East and West. This duality is part of the government discourse which places Hungary in this space in international relations. It portrays the state's interest as safeguarding good cooperation between East and West, notwithstanding the clear fundamental differences in security and values. This positioning serves as justification for the Hungarian government's good relations with Russia. Analytical circles close to the government support this view, for example, by presenting the eastern-opening policy aimed at stimulating economic relations with non-EU countries, announced by the Orbán government in 2011, as "creating connections between the main centres of power". According to these analyses, the role of the V4 should be the same.

Conclusions for Poland. Hungary's relations with Russia and the form of cooperation the country desires to maintain with its eastern partner, remain inconsistent with Poland's strategic interest. This should be a factor when calculating Hungary's reactions during an escalation of disputes with Russia. Hungary's policy towards Russia will make it difficult for Poland to see its demands regarding the latter and the eastern neighbourhood implemented within the EU and NATO. The substance of Hungary's policy is the balance between fulfilling commitments towards these structures and distancing itself from them through its eastern contacts, amid an attempt to derive economic benefits from them, including lower energy prices. At the same time, the gains resulting from this policy are difficult to prove fully, as the details of the contracts signed with Russia are not known to the public. The political cost of this approach, though, is that Russia uses Hungary to weaken Western structures.

Hungary's gas deal with Russia postpones for a decade effective action to increase energy security in Central Europe, which has been one of the main goals of regional cooperation. According to Hungary, this collaboration is intended to increase the region's independence from the West and to gain sovereignty in shaping foreign policy. This is inconsistent with Poland's interest, which is to maintain the conditions for regional security provided by Western and Euro-Atlantic structures.